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ABSTRACT

This discussion of the influence of advertising on the development of new media covers ways in which advertising uses the media and the implications of new information technologies for consumers and marketing activities. The first of four sections describes how television advertising has been altered by the development of new technologies--cable, satellites, and data processing--and outlines the consequences of these technological developments for broadcasters and advertisers. Part 2 explains and demonstrates with empirical data the electronic dilemma of advertising, i.e., how viewers avoid commercials through mental absence, physical absence, channel switching, use of the fast-forward button on videotaped programs, and use of remote control to "zap" commercials. Part 3 describes and summarizes measures taken by the media and advertising industry in the United States and Europe to counteract this dilemma and to exploit new possibilities associated with information technologies. Finally, Part 4, which is written from a European perspective, identifies the cultural consequences and implications for consumers of these countermeasures, and proposes public policy measures to counteract unwanted cultural or consumer consequences. A five-page list of references is provided. (JB)

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working paper

Preben Sepstrup

THE ELECTRONIC DILEMMA OF TV ADVERTISING

- Documentation
- The reactions of business
- Cultural consequences and consumer implications

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January 1986

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This paper is the product of an ongoing project on the influence of advertising on the development of the so-called new media, including the way advertising uses the media and the implications of the new information technology for consumers and marketing activities.

The paper is a draft edition written for presentation at the symposium on 'New Challenges for European Consumer Policy' at the University of Hohenheim, West Germany, March 1986.

The paper is also circulated as a 'Working paper' from the Department of Marketing, The Aarhus School of Business Administration and Economics.
I will appreciate any comments, suggestions for improvements, and new information on the subject of the study.

I take the opportunity to thank the large number of persons in the USA, the UK, and West Germany who have taken time to answer my questions. And to thank my travel companions Professor Folke Olander and Unesco Director Morten Giersing.

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SUMMARY

This paper is divided into four parts.
Part One describes how the relatively peaceful life of tv advertising has been disturbed by the development of information technology and outlines the consequences for broadcasters and advertisers of the technological development.
Part Two explains and demonstrates with empirical data the 'electronic dilemma of advertising'.
Part Three describes and systematizes the measures taken by the media and the advertising industry to counteract the electronic dilemma of tv advertising,and to exploit new possibilities associated with the information technology.
Part Four identifies the cultural consequences and consumer implications of these countermeasures and discusses public policy measures to prevent the negative cultural consequences and consumer implications.

Part Two can be read independently. The description of the electronic dilemma of tv advertising is relevant and has implications for advertisers, media, and media policy planners. However, these implications are not followed up in this paper.
The essence of Part Two can be found in Figure 1, p 14.
The detection of the electronic dilemma of advertising in Part Two is important for an understanding of the content of Part Three.

Part Three is directly relevant for consumer issues and cultural issues, and can be read independently.
The essence of Part Three is that the media and the advertising industry try to solve the electronic dilemma of advertising by three categories of countermeasures: 'the traditional advertising solutions', 'the integrative measures', and 'the informative solutions'. The left part of Figure 2, p 51, summarizes the elements of these categories.

Part Four analyzes the cultural consequences and consumer implications of the countermeasures taken by the industry. If one is not interested in the detailed documentation in Part Two and Three, it is possible to go directly from this summary to Part Four.
The countermeasures can be found in the left part of Figure 2, p 51. The right part of Figure 2 details the cultural consequences and consumer implications of these countermeasures.
The cultural consequences can be digested to an effect on the structure and the content of the totality of programmes, an effect on the structure and content of individual programmes, and an effect on public service broadcasting, all pointing toward less diversity and cultural impoverishment of television.
The consumer implications can be summarized as less informative advertising, more intrusive advertising, and a growing integration of advertising and programmes.
Part Four also proposes three concrete policy measures related to the public service systems, European satellite policy, and the phenomenon of sponsoring. Besides that, a number of policy issues are listed but neither discussed nor decided on. These issues relate to minimum demands to the advertisements as such and minimum demands to the relation between tv advertising and programmes.

An argument for the parallel treatment of consumer issues and cultural issues can be found on page 50.

The empirical material for the description and analysis in Part Two and Three has been taken from both Europe and the USA. The empirical data behind the identification of the electronic dilemma of tv advertising are equally divided between a European and an American background. The description of the countermeasures in Part Three is based almost exclusively on evidence from the USA. A discussion of the relevance of American data for Europe and of the valitity of the analysis can be found on p 5 . The con-

clusion is that the documentation in this paper is relevant for both the USA and Europe. The analysis of the consequences for viewers and consumers (Part Four) has been made from a European perspective, but is in principle relevant to the USA also. The discussion of the cultural consequences and the consumer implications (Part Four) is solely intended to be relevant to the European scene.

This paper tries to demonstrate the existence of an 'electronic dilemma' of traditional tv advertising (Part Two) and the reactions of the media industry and advertisers to this dilemma in Europe and the United States (Part Three).

Part Two and Three are a means to the main purpose of this paper, which is to show and analyse the consequences of the commercial reaction to this dilemma and to discuss policy measures that can counteract these consequences on the European scene (Part Four).

The paper concentrates on the consequences for individuals in their roles as consumers of goods in general and as consumers of tv programmes (i.e., the cultural dimension).

THE PEACEFUL LIFE OF TV ADVERTISING IN THE PAST

Tv advertising has until recently lived a peaceful and relatively uncomplicated life. In the USA as the guest of honour on tv and in Western Europe in most cases as a tolerated visitor given a humble place at the table.

Over the years American advertisers have been fairly satisfied with the results of tv advertising. There has always been some talk about viewers using the commercial breaks for visiting the bathroom or making coffee. However, it has not been considered a serious problem or led to more than sporadic discussions. Broadcasters, advertisers, and apparently the majority of viewers seem to have been relatively satisfied.

In Europe there has been many more restrictions on tv advertising than in the USA. Until now only a few countries have interrupted programmes, and in several countries advertising has been shown in 'ghettos', the socalled 'blocks'. Advertising has not been allowed in prime time, not on Sundays, and many products have not been given access to the screen. Demand of tv advertising time has exceeded the supply in almost all countries.
Advertising has been a secondary income for most of the national public service monopolies in Europe, there has been no competition for the advertising money, and advertisers have not seriously questioned the effect of their tv advertising.

This relatively idyllic situation is now under attack in both the USA and Europe from two of the basic elements in the new information technology: the cables and the satellites.

THE RELEVANT DEVELOPMENT IN INFORMATION TECHNOLOGY

There are three technical 'corner stones' of the 'information society':

* the development in electronic data processing
* the development in cable technology
* the development in satellite technology

Very briefly the technological developments of the 'corner stones' have the following characteristics:

Cable technology

- development of traditional cables → more capacity
- digitization of narrow band cables → more capacity, integration of services
- optical fiber technology → more capacity, integration of services

Satellite technology

- low power → more capacity, elimination of distances, integration of services
- high power satellites → more capacity, elimination of distances, integration of services

Data processing technology → smaller and cheaper units with larger capacity

As a consequence of the technological development all kinds of communications today have the potential functional characteristics of

* High transmission speed
* Almost unlimited capacity in the distribution systems
* Elimination of distances

The potential consequences of the new information technology for the media are

* A growing tendency toward commercialization of electronic media products
* A growing degreee of internationalization of electronic media products
* An increased cultural dominance from big countries
* A growing tendency to polarization of the populations around information and culture gaps.

For television the general characteristics of the new information technology and its consequences for the media mean that:

- The era of the technologically conditioned monopolies is over.
- International and national satellites are competing with each other for the same viewers and the same advertisers.
- Competition has started between international and national satellite channels and national public service stations for the same viewers and the same advertisers.
- Competition has started between national public service broadcaster and foreign public service channels mostly for viewers but to a certain degree also for the same advertising money.
- Local over-the-air and cable channels have started competing among each other and with national and international channels for viewers and advertising income.

Their is an abundance of technical possibilities for a growing number of international, national, and local tv channels, distributed by satellite, over the air, by micro waves, and in cables, and competing for viewers and for advertising incomes, and financed by license fees, advertising and subscription fees.
The idyllic, non-competitive situation of European television has come to an end due to the characteristics of the new information technology: speed, capacity, and reduction of distances.

As stated above the intention of this paper is to look into some aspects of the commercialization and internationalization of television associated with the technological development and centered around the phenomena of the electronic dilemma of traditional tv advertising.

THE RELEVANCE OF AMERICAN DATA FOR EUROPE. VALIDITY OF THE ANALYSIS

The empirical material for the description and analysis in Part Two (Documentation of the electronic dilemma of tv advertising) and Part Three (The reactions of business to the electronic dilemma) has been taken from both Europe and the USA.
It is well known that there are big differences between television in the USA and in Europe. A few examples will do here.
The issue of transnational television does not exist in the USA. There has in the USA always been a number of competing, commercial tv channels. The total commercialization of television is not new in the USA. Many of the changes under way in Europe due to the new information technology have already happened in the USA, e.g., the satellites have already undermined the monopoly of the networks on national television in the USA; the combination of cable and satellites has multiplied the number of available channels many times, and cable nets with large numbers of channels have been built during the last years. A much larger percentage of homes is reached by cable in the USA than in Europe in general.

It is an important point of this paper that in spite of these and other differences, the demonstration of the electronic dilemma of tv advertising in Part Two is valid for Europe or will be totally valid in a couple of years if the present development in the relevant variables (see Figure 1, p 14) continues.
One reason for this is of course that much of the evidence of the electronic dilemma in this paper comes from European countries. Another reason is that Europe partly is in and partly is heading toward the essence of the 'American situation' which in this context means competing, commercial tv channels. A third reason is that the basic consequences of the information technology for tv advertising are the same for advertisers and viewers in the USA and in Europe.

The description and analysis of the countermeasures taken by the media and advertisers (Part Three) is based almost exclusively on evidence from the USA. However, it is my assertion that the first steps of these measures are already developing in Europe, and that the present American situation can be used as a prognosis for the development in Europe if public regulatory measures are not taken.

There are several reasons for this assertion:
The media situation and advertisers' problems in Europe will develop more and more toward what can be seen in the USA. Even though there are important cultural, sociological, and economic differences one must assume that even if one abstracted from the USA, media and advertisers would come up with solutions fairly close to those evolving in the USA today. And even more important: it is impossible to abstract from the USA.
As mentioned above the information technology works for greater internationalization of the electronic media products and is promoting the already existing dominance of the big countries. There is and will be a direct transmission of the measures described in Part Three from the USA to Europe because of the international dominance of the American advertising agencies and their ability to transfer know how and practical solutions (advertising products) to their offices in Europe*). Through this channel commercials and tv programmes will flow to Europe. This flow will of course be supported by American media and marketers wanting to explore the European market. In the future this flow may also take place directly from American satellites to European cable networks.

---

*) 16 of the 20 largest advertising agencies in the world - counted on a global base - are American. When the turnover is calculated on a national (office) base 14 of the 20 largest advertising agencies in Europe are among the same 16, including three Young & Rubicam offices, two J. Walter Thompson offices and two McCann-Erickson offices. (Foreign Agency....1985 and The top 100...1985.)

Last but not least, the American media industry is financially involved in the new media in Europe and thus has a direct channel for selling many of its products, e.g., to the European cable networks*).
I therefore assert that the documentation in this paper is relevant for both the USA and Europe.

The analysis of the consequences for viewers and consumers (Part Four) has been made with Europe in mind, but is in principle relevant to the USA also. The discussion of cultural policy and consumer policy implications (Part Four) is solely intended to be relevant to the European scene.

"American advertisers anxious to get their brands on overseas television ... are learning that a major stumbling block remains, and that is programing.... for one thing, there is a potential programing shortfall that could leave advertisers with few shows to place their ads in. It is estimated that Europe's proposed cable and DBS systems will need 500,000 hours of programing; current inventory runs at about 1.000 hours. - Several American program suppliers are determined to find some solutions to these problems. One option being mulled over is the possibility of getting into the sponsored programing business internationally - an opportunity many feel will flourish as the world readies for a massive communications explosion. - Pragmatists believe that overseas governments will be forced to realize that in order for their expensive technological endeavors to succeed, commercialization will be necessary to foot the bill". (U.S. Programers...1984)

CONSEQUENCES FOR BROADCASTERS AND ADVERTISERS OF THE TECHNOLOGICAL DEVELOPMENT

Today advertisers in Europe are looking forward to a golden future. They hope for a situation where the supply of advertising will exceed the demand. Advertisers are also looking forward to a competition among broadcasters that will lower

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*) News Corporation (Rupert Murdoch), running European 'Sky Channel' is integrated with US 'Metromedia' and '20th Century Fox'; US 'MTV' runs European 'Music Box' with 'Thorn EMI'; European 'Premiere' has US 'Columbia' (a Coca Cola company), 'Warner Communications', '20th Century Fox', 'HBO', and 'Showtime' among its partners. US 'ESPN' and 'ABC' are partners in European 'Screen Sport'.

prices*) and lead to fewer restrictions and more favourable conditions for tv advertising. And they are looking forward to totally new ways of selling and advertising through television. (The situation is a little different in the USA where advertisers are beginning to realize the problems that will be spelled out later).

The public service broadcasters in Europe (and to a certain degree the independent stations and the networks in the USA) look upon the same development as a (potential) erosion of their income, be that license fees or advertising incomes.

"Tv advertising will move from a seller's market to a buyers market. When we have a large number of new advertising-financed TV channels competing with each other, TV time will become abundant in Europe, and relatively cheap, at least on a 'per-spot' basis" (Chapman <Vice President, Ogilvy and Mather, ad agency, London> 1985).
"Bildete die Zulassung von durch Werbung finanzierten Rundfunkanstaltern in Luxemburg, Grossbritanien und Italien bisher eher eine Ausnahme in Europa, so wird in naher Zukunft die Koexistenz von staatlichen bzv öffentlich-rechtlichen und Privaten Rundfunk in den meisten europäischen Ländern die Regel sein. Dies wird zur Folge haben, dass eine Ausdehnung des bisher limitierten Werbezeit-volumen nicht ausbleiben kann." (Hung 1985)

The delight of the advertisers may to a large degree at the same time be wrong. The problems of the public broadcasters (and the networks in the USA) seem more enduring, especially for the majority relying on advertising income.

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*) At the time present tv advertising prices are rising for national advertising in most countries at fully commercial channels due to raising tv production costs. However, much bargaining takes place, and prices are relatively lower (cost per 1000 viewers) at the cable networks. In Europe, e.g., the 'Sky Channel' cost per 1000 is one third and the 'Music Box' one sixth of that of the British ITV.

Since the establishment of a 36-channel cable network in Tulsa, Oklahoma in 1980 the broadcast stations have lost one third of the viewing time. (Chapman 1985.)
From the Italian public broadcast monopoly was declared unconstitutional in 1976 and until 1982 viewing time has risen with 27% and the viewing share of the leading public channel has dropped from nearly two thirds to less than half. Private stations in 1982 took in more advertising revenue than the public channels." (Chapman 1985.)
"I believe it is fair to say that many advertisers are voicing concern and uneasiness with television as medium for commercial messages. Viewer fragmentation is increasing and network share is being eroded..." (Kostyra <J. Walter Thompson, New York> 1984).

Due to the reactions of the broadcasters and the advertisers - including their exploitation of totally new possibilities - the consumers and viewers may be the loosers under all circumstances - unless appropiate national and international measures are taken.

There are two main problems that may reduce advertisers' immediate enjoyment of the new situation. There is a managerial problem limiting the exploitation of the new possibilities, and there is the electronic dilemma of tv advertising.

Managerial difficulties

An international marketing approach, including global branding is necessary in order to take advantage of transnational, satellite delivered advertising.
Most European marketers of branded goods are not geared to such an approach. Their organisations are based on a decentralised, national approach, stressing differences more than similarities. Generally spoken the opposite is true about their American counterparts. (Cf. also Kiefer 1985.)

"Company culture and organizational structure are the main barriers to international advertising". (Leo van Os <SSC&B Lintas, ad agency, the Netherlands> 1985).

The advertising community in Europe may soon find out that only a very limited number of companies are able to exploit the possibilities of satellite advertising. This will also influence the competitive situation between American and European based transnationals.
The outcome of this competition and the means used, including a European move toward internationalization, will have both economic consequences and cultural implications.
The managerial problems briefly outlined here, including the pros et cons of global and international marketing raise interesting questions from both a managerial point of view, for consumer policy, and from a cultural approach. However, this topic is not dealt with in this paper.

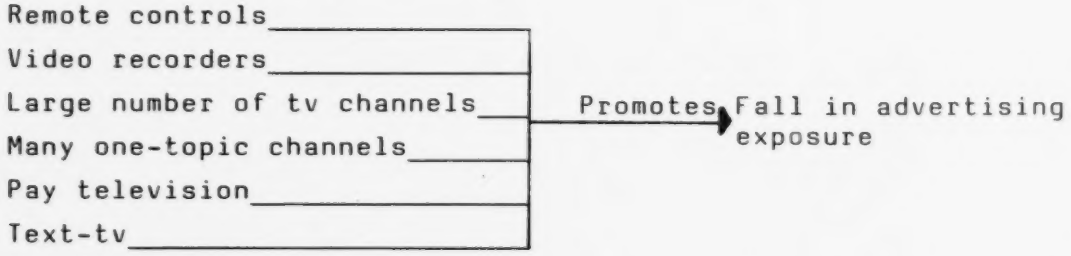
The problem of the electronic dilemma of tv advertising is dealt with in Part Two.

PART TWO: THE ELECTRONIC DILEMMA OF TV ADVERTISING

The end purpose of all advertising is of course to obtain an effect, ultimately an act of buying. Normally the intended effect of tv advertising is limited to brand awareness or image building. Under all circumstances the minimum condition for achieving any kind of effect is exposure of the viewer to the advertiser's commercial. One basic hypothesis of this paper is that the changing situation of tv - due to the developments in information technology - diminishes the exposure to traditional tv advertising.
The most important developments are:

The penetration of a high percentage of tv homes with a modest technological device, i.e., the remote control.
The presence in a growing number of homes of a more advanced piece of technology, namely the video recorder.
Satellites and cables have opened up for a large number of tv channels.
The development of satellite delivered cable channels with a very homogeneous programme content (weather, music, sports, news, etc.).
The development of pay television*.
A relatively new product of information technology is teletext. Teletext adds a new feature to the tv set which competes with programmes and advertising.

The basic hypothesis is:



*) The viewer also pays for license fee financed tv. The term "pay tv" is used here for commercial tv, not financed by advertising.

Television viewers have always to some degree tried to avoid tv commercials. The new development is that more and more viewers possess better and better possibilities for 'zapping' the commercials.

"It is not new that people do not have to pay attention to advertising. We could get away with it before because audiences were large and their options few. Now the balance is changing. New technologies will penalize us for undiciplined thinking". (Kenneth Roman, president of Ogilvy & Mather, USA (Stiansen 1984)).

The term 'zapping' is used rather unprecisely in both the scientific literature and the trade press. 'Zapping' is here used in the broad meaning of 'avoiding commercials'. There are five main methods of avoiding commercials:

1. to be mentally absent during commercial breaks
2. to be physically absent during commercial breaks
3. to switch channels when a commercial break starts
4. to video-tape a program and use the 'fast-forward' button when commercials come up during the play-back
5. to watch television without commercials

1 and 2 are old means of avoiding commercials. They may be used more and therefore add to a fall in advertising exposure, and this may be related to the technological development if a growing supply of commercials leads to a growing need for avoiding commercials. They may also be used less due to the new means of avoiding commercials. The dependent variable in this analysis is not exposure to or effects of tv advertising, but changes in exposure or effects due to the developments pointed out in Part One and above.
1. and 2. are therefore only touched upon below to give an idea about the total range of avoidance of commercials.

Method 3 of zapping (switching channels, turn off the set,

or change to teletext) is not new either, but the new technology has armed viewers with remote controls, making channel flicking easier and more convenient. The same is true about the growing number of channels, and the fact that a number of channels are very homogeneous in content and therefore easier to drop in and out of. Channel switching will be treated in more detail below.

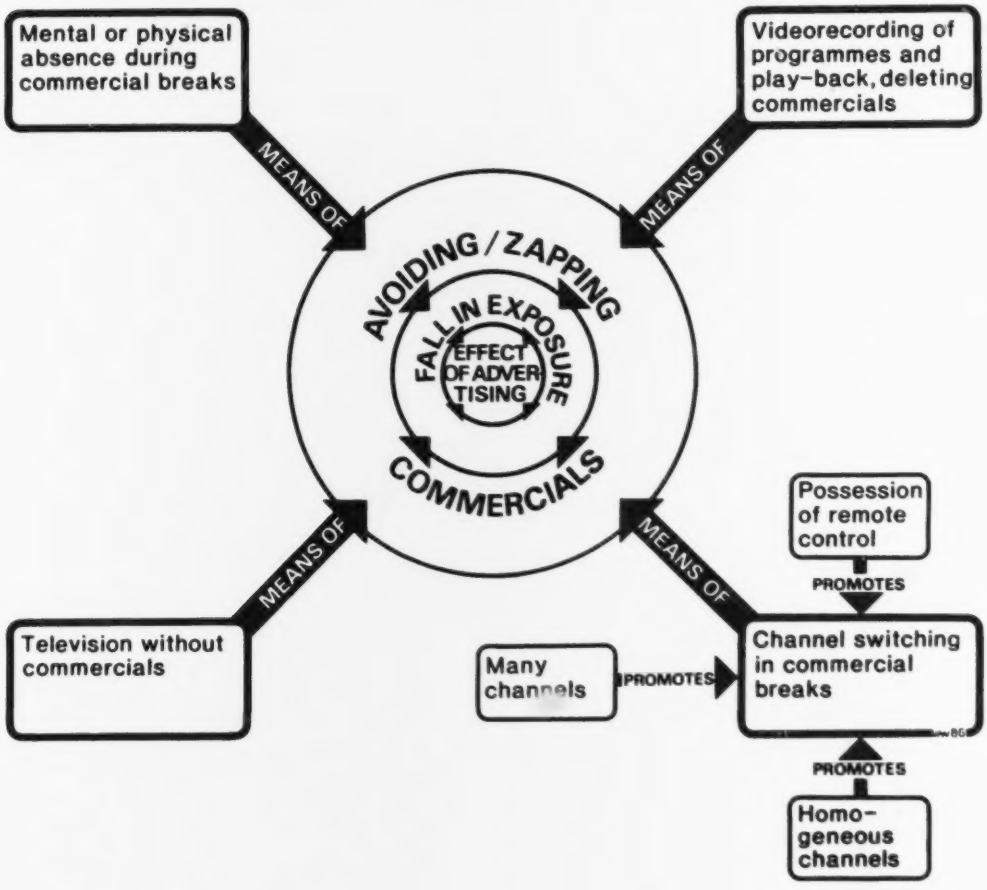
"It used to be said that there wasn't any sense in switching channels during commercial breaks since all you would find on the other channels at that time were more commercials. While this was never entirely true, it definitely does not fit today's scenario. The emergence of 24 hour, continuous-form programming on cable networks..... has created what might be termed a 'zapper's' oasis. Now when the 'action' on program A ends, viewers can switch to MTV for a couple of hot videos, or to CNN for the latest news headline, and still be back in plenty of time for the start of action on program B." (Kaplan <Media Director, Ted Bates Advertising, New York> 1985).

Method 4 of zapping most often is carried out by using the 'fast-forward' button to avoid commercials during play-back of video-taped shows. This phenomenon is treated in more detail below.

Method 5 of avoiding commercials is simply to watch channels or programme segments which do not carry commercials. Outside areas covered by the Public Broadcasting System this possibility is relatively new in the USA and advertising-free popular, movie-based channels without commercials are relatively new in all places. Pay television is probably the determinant of the electronic dilemma of tv advertising that American advertisers and broadcasters fear the most today. This possibility, however, is not new in Europe, and though it is a very important factor to remember when evaluating the situation of tv advertising, further documentation of this method is omitted.

The electronic dilemma of tv advertising and its most important determinants are summed up in figure 1 and the quotation below. The remaining of Part Two is a substantiation

Figure 1: The electronic dilemma of TV advertising.



or documentation of the existence of this dilemma.

"The emergence of the new technologies (cable, pay-TV, VRCs, home satellite dishes, etc.) will continue to complicate the lives of advertisers - already dealing with declining network audiences, increased rates, concern over clutter and the move to shorter commercials, and now - viewers equipped with electronic gadgets enabling them to avoid advertising while in front of the set!" (An Ogilvy & Mather Commentary on the New Media Technologies, 1985).

It is difficult to substantiate the mechanisms of the electronic dilemma of tv advertising in a traditional sence. Only little research has been published on the subject in scientific journals. However, some empirical data do exist due to advertisers' interest in the effect of their advertising and a suspicion of getting less value for their tv advertising money than they used to.

Studies originated and carried out by advertisers or their agencies are normally not published, and almost never in full length or in scientific journals. Therefore, the documentation of the electronic dilemma of tv advertising must be extracted from the trade press which gets its news from parties with vested (though often different) interest in the issues under observation. (e.g., advertisers who want to prove that they are not getting the number of exposures they are paying for, or tv channels which try to convince advertisers that they are less zapped than others).

This said, I have of course tried only to convey results which are fairly transparent in their origin and/or which I judge to be reliable enough to be incorporated when looking for facts. In this context it is important to note that almost all published results point in the same direction. Due to their quality several references supporting the idea of an electronic dilemma of advertising are omitted, whereas all references found, opposing the idea are mentioned.

I have chosen as a main rule only to use material published in 1984 and 1985 since the subject of study changes rapidly. (For older references see e.g., Giersing and Sepstrup 1984 and Sepstrup 1985). The data used are the result of reading

newsletters, trade press, and scientific journals from West Germany, England, USA, and the Nordic countries. Many data appear in several sources. This is a help in the evaluation process, but I have only referred to the best sources and/or the most accessible, and other things being equal English-language references have been preferred to references in German or Scandinavian languages. Generally spoken the results quoted from the individual studies seem rather inadequate, but all reliable information has been extracted from the sources.

Due to the nature of the empirical data, many references and many 'illustrating quotations' are used. Another reason for this is that there are so many political issues at stake in the fields of media, culture, and consumer policy, and so many economic interests, that it is necessary to be very detailed and to document that the data used and viewpoints quoted originated mainly through research carried out by media and advertisers and in the trade press.

MENTAL OR PHYSICAL ABSENCE DURING COMMERCIAL BREAKS

The Italian study Capacasa et al 1985 (sponsored by RAI (Radio Televisione Italiana) and carried out by Analise & Ricerche S.R.L.) is based on participant observation of behaviour.
The study showed the following results on behaviour during breaks:

	Tuned on RAI channels 4,077 observations	Tuned on private networks. 10,979
	%	%
Watches programme	34.2	38.2
Inattentive (in front of TV)	12.1	14.3
Conversation (in front of TV)	9.3	28.5
Other activity (in front of TV)	18.2	15.6
In room (but not in front of TV)	6.9	6.7
Leaves room	20.8	19.1
	101.5	122.4

The methodology and the reporting of the results are not totally clear in Capacasa et al 1985, but the research seems to demonstrate that a substantial amount of zapping takes place due to mental or physical absence. The private networks in Italy are heavily loaded with advertising, whereas RAI only carries commercials in blocks between programmes. This does not seem to influence audience behaviour. It is not known whether this kind of zapping is more common today than, e.g., before 1977 when the private networks started in Italy.

The American study, Changing Channels 1984, (sponsored by Magazine Publishers Association and carried out by Audits & Surveys, Inc.) is based on 3,756 telephone interviews about behaviour during the 15-minute period immediately preceding the call. The study found that 29-30% of adults in a room with a set tuned to network tv during any part of a commercial break, left the room.

According to Kiefer (1985b), 33% of the American viewers on the average left the room during commercial breaks in 1980. In 1983 the percentage was 38%.

A British study (Bunn 1982) summarizes British 'presence research' and reports a new study from 1980 confirming the main result from the review of earlier research, i.e., that 12% of individuals categorized as being viewers to programmes on both sides of a commercial break left the 'television area'. The study says nothing about mental absence.

The West German study, Darkow 1985, (sponsored and carried out by ZDF-Werbefernsehen's research department) is based on electronic 30-second interval meters using the German standard 'GFK-System' around all commercial blocks for one week. The study found that 12-22% (depending on the advertising block) of the adults sitting in front of the screen when the first commercial starts, left the viewing area

during the advertising block.

The Finnish study, Tehomainos 1984, (sponsored by the advertising agency Tehomainor OY and carried out by Consumer Compass-Kuluttaja-Tieto OY) is based on participant observation of 265 persons older than five years. The result of the study is summarized below:

	95 HOUSE WIVES	70 HUSBANDS	100 CHILDREN
Watches TV	65	43	67
In room, but not watching	30 = 32%	27 = 39%	33 = 33%
Watching TV, but not paying attention to commercials	4 = 6%	5 = 12%	9 = 14%
Watching TV and paying attention to some commercials	36 = 55%	10 = 23%	11 = 16%
Watching TV and paying attention to all commercials	25 = 39%	28 = 65%	47 = 70%

The attention of Finnish viewers changes during the day and is at its highest during the evening. The figures are not very well documented, but indicates a substantial amount of zapping through mental absence.

CHANNEL SWITCHING IN COMMERCIAL BREAKS

"So, zapping has become in the words of a handout that J. Walter Thompson <New York> issued to financial analysts in November 'unquestionably the topic of the year'", (Kessler 1985).

'Zapping' in this paragraph is identical with method 3 of avoiding commercials, i.e., changing channels during commercial breaks.

Heeter and Greenberg (1985) has carried out one of the few investigations of zapping published in a scientific journal. Five surveys (not specified further) including more than 1,500 adults and 400 children were analysed. From 50-66% of all adult viewers report that they "zap commercials regularly". The average reported by Heeter and Greenberg is not very interesting, partly because it is measured on an arbitrary scale, partly and most important because viewers - according to Heeter and Greenberg - most appropriately can be described as either 'zappers' or 'non-zappers'.

Two thirds of the zappers and one third of the non-zappers are men. The average adult zapper is younger than his or her non-zapping counterpart. Fifth and sixth graders "report significantly more zapping than do their parents who are in their mid-30's".

According to Heeter and Greenberg zapping is part of a viewing style. Zappers plan their tv viewing less than non-zappers, they check other channels regularly (also outside commercial breaks) and they even like to watch two channels at a time.

The most important motive for zapping is 'to see what else is on', followed by 'to avoid commercials', 'because I am bored', 'for variety', and 'to watch multiple shows'.

The Heeter and Greenberg study takes the existence of zapping for granted, given the background material they have access to, and the study only quantifies zapping to a very limited degree. The reporting of the results is to some degree superficial and impossible to control. The important contribution of the article is the hypothesis that zapping is part of an overall behavioural style and support to the hypothesis that we have only just seen the beginning of zapping.

"Is zapping growing? We expect that to be the case for both technological and developmental reasons. More viewers will have the same form of remote control capability; more viewers will have VCRs and use them as a personal editor; child viewers will have matured with multichannel systems and changing channels will be as natural to them as non-changing is to their grandparents." (Heeter and Greenberg 1985)

In an interview in London, Marketing Services Director, Alan Wolfe,

Ogilvy & Mather <ad agency> told the author of this paper: "Zapping cannot become a greater problem than it already is because consumers already take every opportunity to avoid the commercials." Alan Wolfe does not, of course, disagree with Heeter and Greenberg, but forgets that the opportunities of the consumers can develop much further.

Zapping has been a heated issue during the summer 1985 in West Germany. West German television advertising comes in four, so-called, blocks between 6 and 8 pm. Advertisers are given an average exposure measure for one block, not for the individual commercial. Due to fear of zapping advertisers have demanded figures for the individual commercials. ZDF-Medienforschung <research department of the 2nd German television channel> analysed the problem by monitoring the exposure to the advertising blocks for a week on an electronic 30-second interval meter system - and concluded that "... zur Beruhigung der bundesdeutsches Werbebranche: Zapping ist ein amerikanisches Phänomen." (Darkow 1985).
The reason for this conclusion is that on the average for the four blocks, 80% of the viewers in front of the screen at the moment of the first commercial stayed there and did not switch channels.

The results of the study can also be used quite differently from the way chosen by ZDF.
First, a loss of 20% means a 20% higher price than the advertiser officially pays.
Secondly, it is only known that 80% do not change the channel and stay in the room. But besides it is not known what they do during the commercial block.
Thirdly - and most important for this paper - the conclusions concern only zapping in the advertising block. Darkow does not analyse changes in the number of viewers from the programmes end and until the first commercials start. However, it is possible to say something about this from the figures reported by Darkow.

As an example block III is used (25.02.1985): A western ends with 10.5 million viewers. The number drops to 6.5 million when the advertising

block starts, and to 5.5 million in front of the screen during the last commercial in the block. The number stays there during a short channel promotion and then jumps to 10 million viewers when the news start, falling to 6.5 million exposed to the first commercial in the block following the news, falling to 5.5 million in the middle of that block and rising to 6.5 million at the beginning of the next show.

So, zapping is not 'an American phenomenon' only. On the contrary it is a thriving phenomenon in West Germany both in the narrow sense used by Darkow and in a broader and more relevant sense.

Another German source (Siepman 1985) reports that the number of viewers following all commercials in a block is not 80% (as reported by Darkow (1985)) but between 50-70%. It is not possible to evaluate the reliability of that study.

"Television in the United Kingdom and other highly industrialized, urbanized nations is now an interactive system involving other add-on technologies which are being utilized to eliminate commercial breaks whenever possible." (Yorke and Kitchen 1985).

Yorke and Kitchen (1985) is another study on zapping, published in a scientific journal. The data are collected as personal interviews from a sample of households in the UK which possessed a video recorder, a remote control or both. There is no information on the size or other characteristics of the sample, and only percentages are given in the tables of the article.

Two questions to viewers possessing a remote control concerned behaviour at commercial breaks between programmes and in programmes.
Commercial breaks <u>between</u> programmes:
11% found it highly likely that they would actually view the commercials. 24% found it highly likely, they would start 'channel flicking'. 24% found it highly likely that they would engage themselves in conversation, and 10% found it

highly likely that they would prepare a refreshment. (No other figures are given).
Commercial breaks in programmes:
34% found it highly likely that they would actually view the commercials. 17% found it highly likely to engage in conversation, 9% to flick through channels, and 7% to prepare a refreshment. (No other figures are given).

Yorke and Kitchen conclude from their investigation of zapping that advertisers do not get the supposed value for advertising transmitted between programmes. They recommend advertisers only to buy commercials broadcasted in the programmes and suggest that the British rate cards are adjusted to realities, meaning a lower price between programmes.

A study from Italy, Television advertising... 1983, (sponsored by McCann-Erickson, Rome, and carried out by the research institute Doxa) showed that 35% of the viewers on RAI say, they almost never watch commercials and that 47% of the viewers of private stations claim that they almost never watch commercials.

Capasaca et al (1985) (see p 16) reached the following results based on 6,060 observations of behaviour during commercial breaks:

	RAI	PRIVATE NETWORKS		
		Total	In programmes	Between programmes
n	1,734	4,326	3,681	588
All households				
% switching at first spot	12.3	12.0	10.9	17.7
% switching after 2-3 spots	7.5	8.4	8.0	11.9
	19.8%	20.4%	18.9%	29.6%
Stay tuned	80.2	79.6	81.1	70.4

According to their method Capasaca et al clearly demonstrate that zapping takes place during commercial breaks. The percentage of 'zappers' is close to the figures reported in Darkow 1985.

Teletext has the potential of becoming a very attractive alternative for 'zappers' during commercial breaks. A few minutes are enough for skimming the tv schedule, the latest news, or the weather forecast. Except for the United Kingdom the penetration of teletext is not yet high enough in countries with commercial tv to be used for zapping, and Yorke and Kitchen (1985) found in their study that in the UK "usage of teletext is still somewhat limited by its low societal diffusion".
Kostyra (1984) and McSherry (1985) mention the potential of teletext as a means of zapping, and tv stations in the USA have realized the potential danger according to Bagdikian (1985), who reports that "More recently, the development of teletext was effectively halted when most local stations refused to accept the teletext transmissions of CBS and NBC, fearing the viewers would tune out to use them during the commercial breaks".

It is very difficult to find writings opposing the importance of zapping and its influence on advertising exposure. One advocate of this point of view is John McSherry <McCann-Erickson, New York>. McSherry (1985) mentions that McCann-Erickson, New York, has processed a number of research results on zapping, and has found no evidence of zapping as a problem for advertisers. Unfortunately no figures are given to substantiate this.
Fountas (1985) mentions "a number of studies" (not specified and probably the same referred to by McSherry (1985)) on channel switching, indicating "that channel switching is a relatively minor problem at the present time". Fountas quotes a "NTI study" showing that only 5.2% of the programme audience in prime time, switched channels during the

commercial breaks. In pay cable and remote equipped households 6.2% and 7.1%, respectively, switched channels during the break.

"Zapping, when added to the problems of fragmentation, clutter, high costs, and time transfer could dramatically reduce the usefulness of the television medium for advertisers." (Kostyra 1985 <Media Director, J. Walter Thompson, New York>).

The number and nature of the new channels

It is obvious that the more opportunities available for the viewer the more tempting is it to switch to another channel. It is also obvious that a few minutes of exposure to another channel is more meaningful and 'safe' if the content of the channel is well known, continuous and homogeneous as is the case with many of the new satellite delivered cable channels. This indicates that the present television structure in the USA - which is also developing in Europe - is a perfect background for zapping.

It is difficult empirically to demonstrate this 'variable' (the number and nature of channels) in the build up of the electronic dilemma of tv advertising. However, a few indications are available. In Changing Channels (1984), (see p 17) it was found that 39% in non-cable homes and 45% in cable homes were not exposed to a commercial break. Almost the same number left the room (29% and 30%). 4% in both categories turned the set off, while 6% in non-cable homes switched channels and 11% in cable homes did so.

Forkan (1984) quotes Television Audience Assessment for reporting that 15% unwired homes and 40% cable tv homes "always or often flick the tv dial to escape commercials. CNN <news>, MTV <music>, ESPN <sport> are among the chief beneficiaries of such switching".

Remote controls

In an advertisement Readers' Digest has said that "Cable viewers are being armed with a deadly weapon: A device to zap commercials".

The 'device' is the remote control. And advertisers and their agencies more and more realize the truth of this piece of propaganda for advertising in print media.
Of course remote controls are not necessary to zap commercials. But they are very convenient, and the penetration of remote controls will without any doubt further the amount of zapping. Remote controls can also be used conveniently to turn down the sound during commercial breaks. However, there is no empirical evidence of this.
According to Capasaca et al (1985), the penetration of remote controls is 30% in the USA, 22% in the UK, 60% in West Germany, and 40% in Italy, and the penetration rate is growing in most countries.

Capasaca et al's study on channel switching is quoted on p 16. When their data are divided into "All households" and "Households with remote control" it is evident that the possession of a remote control promotes channel switching. The data also indicates that households with remote controls switched channels earlier (when the first commercial came on). See below.

	RAI	PRIVATE NETWORKS		
		Total	Middle of programmes	End of programmes
n	1,734	4,326	3,681	588
All households				
% switching af first spot	12.3	12.0	10.9	17.7
% switching after 2-3 spots	7.5	8.4	8.0	11.9
	19.8%	20.4%	18.9%	29.6%
Remote Control Households				
n	661	1,852	1,556	271
% switching at first spot	14.8	19.8	18.9	24.3
% switching after 2-3 spots	10.2	11.2	10.7	15.3
	25.0%	31.2%	29.6%	39.6%

Television Advertising... (1983), (see p 22) reports that 35% of the viewers on RAI did not watch commercials. For viewers with remote controls the corresponding figure was 44%. For the private networks the corresponding figures were 47% and 59%, respectively.

Wentz (1985) quotes a Nielsen Media Research study (using diaries kept in 1,049 UK households over a four-week period) finding that during the play-back the commercials were skipped 56% of the time on an average. Among those with remote controls, 74% skipped the commercials.

Cox (1985) quotes the British BARB (3-second persistence meter ratings) from October 17, 1984, finding that viewers with remote controls in general switched channels 70% more than viewers without this device.

VIDEO RECORDERS, TIME-SHIFT, AND ZAPPING OF COMMERCIALS

The penetration of video recorders in tv homes are approximately 25% in the USA, 40% in the UK, 25% in West Germany, 15% in France, 20% in the Netherlands, and 10% in Spain (World VCR... 1984). People buy video recorders for two reasons. One is to watch pre-recorded tapes. The other one is to time-shift viewing to the most convenient hours.

If the time for viewing pre-recorded tapes is taken from the time for tv consumption, the video recorder exerts a direct negative influence on exposure to tv advertising. When video recorders are used for time-shifting, commercials may be zapped while recording in that minority of cases where a show is taped and seen at the same time. When tv programmes are taped automatically, commercials may be zapped during the play-back by using the 'fast forward' button. (The term 'zapping' is used in that sense in this paragraph).
The video recorder gives the viewer more freedom to decide both content and timing of the tv viewing. Also the video recorder may save time for the viewer if commercials are

zapped. The more channels and the more advertising a viewer is exposed to, the higher is the potential utility from a video recorder.

"The ability to watch a one-hour soap opera in only 45 minutes is virtually impossible to resist." (Kaplan 1985), <Media Director, Ted Bates Advertising, New York>

"VCR's impact on television may just be beginning. The continued growth of cable, providing more to watch, and the competitive nature of the TV industry, putting one show against another, might fuel people's desire to tape one program while watching another. No longer will viewers have to decide between two desirable shows." (An Ogilvy & Mather Commentary on the New Media Technologies, 1985).

In a well documented study on the use of video recorders in the USA, Ogilvy & Mather (An Ogilvy & Mather Commentary... 1985) draws the following conclusions:

"- the loss in network ratings attributable to VCR's could prove more severe than from cable.
- for several reasons, the VCR boom may prove more of an unwelcome development for national advertisers than the growth of commercial-free, pay television
- five percent of all network advertising is currently lost within VCR households due to taping and replaying and consumer zapping. While this loss is still negligible on the national level, approximately one percent, this could be the tip of the iceberg
- 20-30% of the shows taped off the air are not replayed within a month of recording; one half to two-thirds of commercials are zapped during playback."

According to Beltramini (1983) the Motion Picture Association of America has sponsored a study carried out by NPD Electronic Media Tracking Service. One result - not substantiated - is that 68% of those who record a show while watching it, deletes the commercial breaks. 60% of those who watch playbacks skip past commercials while doing so. In an address to the Congress the MPA concludes that "the

growing VCR market may seriously disrupt the economics of commercial tv with negative consequences for the broadcaster, the advertiser, the copyright owner, and ultimately the user... and become a threat to commercial tv by interfering with viewing of time-sensitive advertising and precluding advertisers from 'targeting' audiences."

"Ted Bates Advertising has said that... the zapping of ads <using vcr's> translates into an annual loss of $ 1 million in paid advertising time for the agency's client General Food, alone." (Kaplan 1985), <Ted Bates Advertising, New York>

Kaplan (1985) refers to a "Nielsen released diary-based VCR study" from the USA, finding that 1) 20% of the recordings are not played back, 2) when recordings are played back, viewers zap past more than half of the commercials. Kaplan has no further documentation of this.

Yorke and Kitchen (1985), (see p 21) also investigated the use of video recorders. They found a weekly use in the UK of the video recorder of 6-8 hours. The majority of viewers generally view the pre-recorded material in 'prime advertising time'.
The respondents in the Yorke and Kitchen study were usually not present while recording took place. When they viewed the recorded tape they therefore run into commercial breaks like on normal television. Their most common reaction was to skip the commercials:

Behavior during recorded commercial breaks

Behaviour	Percentage			
	B	C	J	EFG
Watch commercials	10	5	18	4
Prepare refreshments	16	17	12	0
Conversation	0	6	0	4
Check TV by remote control	16	0	5	4
Press rapid forward	53	67	59	80
Read newspaper or other literature	0	5	0	4
Other	5	0	6	4

(B,C,J, and EFG are different groups of residential areas which unfortunately are not specified)

Wentz (1985), (see p 26) reports from a Nielsen Media Research study in the UK that

- users deleted commercials 10% of the time while taping
- commercials were recorded but skipped by fast-forwarding during playback 56% of the time
- commercials were recorded and watched 34% of the time
- among those with remote control devices the commercials were skipped 74% of the time.

Martin (1985) quotes a study on zapping in Australia sponsored by Unilever and Lintas <ad agency>, Australia. The results are not substantiated. The study found a close correlation between the penetration of video recorders in Australia and viewing of 'live' tv. During recent years the share of 'live' viewing has dropped 29%. 32% of the households owned a video recorder. 25% of those households fast-forwarded through commercials during playback.

"Portland, Oregon-based Vidicraft has spent $200,000 perfecting a device that detects commercials during a VCR recording and automatically erases them from the final product. The 'Zapper' will be marketed at $200, and is expected to capture a $1 million market by the end of 1985. The company stresses that the product is no threat to the ad community. "It's not as important as the fast forward button."" (Higher tech zapping 1985)

TELEVISION WITHOUT COMMERCIALS

Until today the most important factor in shaping the electronic dilemma of tv advertising in the USA is the development of pay tv. 25,2% of American homes subscribe to pay tv (CAMP Report, November 20, 1985).
Several pay channels have been introduced in Europe. And as long as strict regulations on tv advertising are held up on public service channels, they play the same role in relation to the electronic dilemma of advertising as pay television.

The influence of this determinant of the electronic dilemma of advertising is widely recognized, and is not treated in any detail in this paper. However, the loss of advertising possibilities due to the development (and existence) of channels and programme segments with no commercials is a very important motivation factor for the international advertising community's search for solutions to the declining effects of traditional tv advertising.

PART THREE: THE REACTION OF BUSINESS TO THE ELECTRONIC DILEMMA OF TV ADVERTISING

In Part Two it has been tried to demonstrate that - due to a number of reasons rooted in the new information technology - advertisers are experiencing a fall in exposure to traditional tv advertising or will experience such a fall as certain developments accelerate.
Both companies and communication policy planners must be aware of this situation. However, from a consumer and viewer point of view, the electronic dilemma of tv advertising is only interesting as an indicator of the growing possibilities of enjoying television without being disturbed by commercials.

What is important for consumers, for consumer policy planners, for viewers, and from a cultural point of view, are the steps taken by the media and the advertising industry to prevent further erosion of the effect of tv advertising - and the steps taken to develop the tv advertising 'product' in the light of the new possibilities offered by the new media situation. (An understanding and knowledge of the media industry's counter measures is of course also relevant for media planners and communication policy planners).

More is published on the steps taken by the industry to counteract the dilemma than on the determinants of the electronic dilemma of advertising. This is so because the initiatives - especially in the USA - are used as public relation activities and published and discussed in a number of business weeklies and trade journals. However, there are no studies at all that review or investigate this development.
This paper is a first try to place this development in the intersection between the media industry and the advertising industry in a systematic framework.

Unfortunately - due to the available material - the framework is more systematic than the data put into the framework. This is even more so in the following description of the measures taken by industry to meet the new situation for tv advertising.

The result of the same search as that behind the description of the electronic dilemma of tv advertising (see p 15), is a number of 'case stories', viewpoints from relevant persons, and relevant facts. Most of the cases fall into three categories of solutions which are here labelled 'Traditional Advertising Solutions', 'Integrative Solutions', and Informative Solutions.

"Nonetheless, there are measures we can adopt that could possibly reduce the level of channel switching during commercial breaks. One such measure which surfaces quite often in the trade press is that we should produce more entertaining commercials that will "hold" the viewer interest.. Another solution that has recently emerged is that commercials should be integrated in the program". (Kaplin 1985) <Ted Bates Advertising, New York>.

TRADITIONAL ADVERTISING SOLUTIONS

Traditional advertising solutions are measures which do not differ in principle from the continuous research and development which has always taken place to make advertising more effective. It is typically short sighted solutions, often a result of the 'creativity' and the demand for innovation in the advertising business. The measures are created from a very narrow and traditional understanding of the functioning of advertising.

The traditional solutions are presented and discussed in a relatively large number of articles in both the trade press and scientific journals. The measures are here divided into four categories: 'The strong plot and soft sell approach', 'Variation of the number of commercials and their placing',

'The short commercial approach' and 'The split screen approach'.

The strong plot and soft sell approach to avoid zapping is based on the idea that the commercials only to a very limited degree must focus on the product, and that the form and content of the commercials shall make it difficult to identify the commercials as such.

"Sony Corporation of America...this month broke...a new campaign <which> is not as heavy on product features as last fall's effort. The TV spots focus on lots of children, teenagers and young marrieds, with an emphasis on fantasy and the supernatural. - The decision to downplay product features was made with an eye towards increased zapping of commercials, said Bob Greenberg.. He pointed out that 60% of color tv's now being sold have remote controls, and that remote vcr sales also are rising. -"Viewers can pretty easily get rid of your message if they can tell right off that it is a commercial," he said (Advertising Age, October 28, 1985)

The imitation of movies (socalled mini-movies) has the declared goal (Kessler 1985) to make commercials so fascinating that viewers want to see the commercials for their own sake. "Advertising agencies are dreaming up million-dollar mini-epics as TV ads. They hope viewers will like them so much that they won't use their remote controls to obliterate them from the screen". (Kessler 1985).
Story lines that seem unrelated to the product - socalled borrowed-interest spots - are a feature of many new commercials created to avoid zapping. In February 1985 a 45-second spot for deodorant soap was relased in the USA based on two and a half hours of film. Famous Hollywood photographers, writers and directors are involved in the production of many commercials. (Kessler 1985).

"A new Wrangler ad features a young couple straight out of movies such as 'Raider's of the Lost Ark' or 'Romancing the Stone' who bounce from one escapist movie cliché to another. The adventurers pluck a huge

emerald from a stone idol's forehead, then flee for their lives as the statue crumbles and spews tons of rubble after them. The desparate duo make good their getaway by swinging on vines across a deep chasm. Solemnly intones the voice-over: "Out here, people need a Wrangler style...because no matter what they are doing they want to look their best. Anytime, anywhere." (Kessler 1985)

The costs of those movie-commercials are very high. The production costs of commercials in the USA vary from $50,000 to $1 million, and Coca Cola has spent as much as $2 millions on a 30-second spot. (Kiefer 1985, Kessler 1985).
Kessler (1985) quotes a representative from Wrangler's advertising agency for saying: "They <the commercials> are probably more entertaining than half the stuff that's on television these days - and certainly they cost more than most shows." Kessler comments that "The company may find its showpiece still gets zapped simply because the commercial that come before it did".

This possibility has led to the second solution concerning variations of number and placing of the commercials. Kessler continues: "More advertisers have begun negotiating for specific slots within commercial breaks", or they have done as Wrangler: "Booked a primetime 'road-block' for the Wrangler spots on all three major networks between 8.13-8.18 one evening -. Viewers who switched channels during the commercial break would still catch the Wrangler ads."

Forkan (1985) quotes the American advertising agency SSC&B's proposal for minimizing the number of messages within the "commercial pods" at the start and end of 30-minute programmes, and for stating that the most desirable long-term solution is to place commercials well within the programme.

Kostyra (1985) <J. Walter Thompson, New York> has a far reaching proposal: "Zapping can be minimized only if most, if not all commercials - broadcast and cable - are run at approximately the same time. -It may seem like a preposterous

proposal, but it is the only one I have for this vexing problem. - If the television does not standardize commercial formats, the risk and the cost to both broadcast and cables is even greater".

The third measure among the traditional solutions to the electronic dilemma of tv advertising is to reduce the length of the commercials. There is almost a literature of its own discussing the pro's et con's of socalled split 15-second commercials, i.e. 2x15 seconds instead of 30-second spots. 1/3 of the 100 biggest tv advertisers in the USA are experimenting with 15-second commercials. 10% of all commercials are down to 15 second in the USA where the 60-second commercial still dominated in the beginning of the 1960s. In Japan the rate of 15-second commercials is 72% (Kiefer 1985).

The notion of the 15-second commercial becoming the standard commercial unit is looking more and more likely. It has been a rather speedy evolution beginning with the controversial arrival of split 30's two years ago, followed by the availability of 15's on cable and syndication. Enter now the networks with their 15-second newsbreaks and solo 15's. (Paskowski 1985)

The fourth measure still has to be tried. It has often been mentioned in discussions of zapping that advertisers and broadcasters will have to develop split-screen-commercials, i.e. half of the screen is devoted to the show and the other half to a commercial. American viewers will get a taste of this during the Soccer World Cup in 1986. Due to the lack of 'natural breaks' in soccer, commercials will be shown on a split-screen.

INTEGRATIVE MEASURES

Integrative measures are measures taken by the media industry, advertisers, and their advertising agencies to counteract the electronic dilemma of traditional tv advertising by

integrating advertising and tv programmes. The basic idea is to advertise without any commercials that can be zapped.

There is a lot of evidence of the creation of new forms of tv advertising by integrating programmes and advertising. But, whereas the 'traditional advertising solution' is widely presented and discussed as a way of preventing zapping, this is not the case with the integrative solution.
It is an interpretation suggested in this paper that the integrative solution has been developed as a response to the electronic dilemma of tv advertising. A number of the 'illustrative quotations' below support this interpretation. The interpretation is based on reading the relevant trade press from West Germany, United Kingdom, and the USA, on observation of the media industries in those countries, and on a number of interviews in the same countries.

To interpret the integrative measures primarily as a reaction to the electronic dilemma of advertising does of course not preclude that some - or all - of the new forms of tv advertising are more than just countermeasures, i.e. complementary forms of advertising which must "earn their own place in the market" (David Wood, Ogilvy & Mather, London, interview, 1985). However, there is no doubt that the electronic dilemma of tv advertising paves the way when the integrative forms of advertising try to earn their place in the market.

From a cultural and consumer point of view it is important to have an understanding reaching from the development in information technology over the electronic dilemma of advertising to the character and amount of the measures taken by the industry. Such an understanding is a help in the evaluation of the future. But even as an isolated observation, knowledge of the integrative measures is relevant from a cultural and consumer point of view.

The purpose of this paragraph is to illustrate by a number of examples that the integrative measures are a trend, a development that takes place, and not more or less odd individual cases. On the opposite it is here assumed that the integrative measures are and will be the most important means for advertisers to avoid zapping.
The examples illustrating the integrative measures are divided in four categories: 'Programme-like advertising', 'Advertiser-initiated, product related shows', 'Advertiser-initiated, non-product related shows', 'Programmes and channels for advertising and selling only'. These categories overlap and must not be taken for more than a first attempt to systematize and understand what is happening.

Programme-like advertising

Programme-like advertising takes the form of a programme on a certain topic. The programme is normally 60 to 120 seconds. It is produced by the advertiser and most often wrapped around a traditional commercial for the advertiser's brand. This of course contributes to the viewers' perception of the remaining part of the 'programme' as editorial and not advertising. The programme-like commercials are often called 'informercials' and sometimes 'long form advertising'. However, this terminology is not unambiguous. Some examples are given below.

Harsbro Bradley, Inc. is one of the largest toy advertisers in the USA. "Hasbro is well aware of the new baby boom, but in advertising to the parents it is taking on a public service slant. It just introduced what it calls 'Mothers' minutes' on ABC daytime tv - 60 second baby news and advertising spots that air three to five times a week. - In the spots, ABC's Joan Lunder speaks about important parenting issues for 30-45 seconds, followed by a commercial for Hasbro's preschool products. 'We think it is a creative use for advertising and it has a benefit for the mother' <Hasbro's vice president, marketing>". (Ellis Simon, 1985a.)

In 1985 Christian Broadcasting Network, an USA cable channel, run several 'mini programmes', built up of a 90-second 'show' wrapped around a 30-second commercial. One was produced by 'Uncle Ben's Rice', featuring regional and ethnic recipes, another 'Kid's point of view' sponsored by 'M&M' <Mars Candy>. Both 'shows' were handled by Ted Bates Advertising. (News in brief... 1985)

General Food (largest tv advertiser in the USA) produced in 1985 together with Young and Rubicam <ad agency> two-minute informational tips wrapped around 30-second spots for a GF-brand, and shown on the cable networks USA, TNN, CNN, and Lifetime. (General Foods... 1985). 'Shortcuts' as the programme is called is "a client specific series of a multi-network short-form programing to relate directly to a clients area of expertise - 'Shortcuts', says General Foods, is the answer to the scattered, time-sensitive audience viewing patterns. The 90-second, non-brand food informational segment is wrapped around a 30-second commercial, which is branded. This represents a diversion from the most common form which ties in both branded programing and commercials." (Tasty Two... 1984.)

Media Director Alan Wolfe (Ogilvy & Mather, London, interview, 1985) sees a parallel between the above mentioned examples and the music videos produced as programme-like advertising for records and artists (used as programme material on, e.g., 'MTV' in the USA and 'Music Box' in Europe), and is convinced that this will develop into a very common way of advertising for e.g., travel products, hobby products, and do-it-yourself products.

Advertiser-initiated, product related shows

This category covers many variations. The basic idea is to produce a show which the viewer perceives as a normal show though it is created as advertising or promotion for one or several products or brands. Some examples are given below.

Mattel, Inc. is the biggest advertiser in the toy industry in the USA. "One of Mattel's newest avenues of exposure, albeit one laden with

controversy, is the practice of making tv and movie stars out of its toys. For those who haven't seen Saturday morning cartoons lately it is becoming a retailer's dream-come-true. Intentionally or not the show dramatize how to play with a toy with a new episode each week. Mattel's tremendously-popular Masters of the Universe action figures now star in their own 13-episode tv show". (Ellis-Simon 1985.)

"A good company will do things right and Mattel has been very careful about mixing advertising and editorial material ...says general manager.. of Talbots Toyland, Cal". (Ellis-Simon 1985.)

On 30.8.1985 'Good Morning America' on ABC showed a five-minute film on the image problems of polyester. The opening and closing credits told it was a sponsored film. The film was followed by a 30-second commercial for polyester. After that came a brief weather forecast, followed by an editorial piece on possible uses of polyester in the shape of a fashion show in the studio, enthusiastically commented by the host. (Kiefer 1985.)

The Proctor & Gamble tactic is to promote company identification by creating programmes that either feature their products, or present themes that are attractive to their prime target group, housewives."On 'Good Housekeeping: The Better Way , products are condusive to in-show-use. That way, says Comptton's <ad agency> Siegal, 'commercials don't become intrusive. They are well integrated into the show'". (Guarascio and Siegal 1984.)

One of the big retailers in forestry products and building materials in the USA in 1985 produced 26 30-minute how-to-do-it programmes with a nationally noted home repair authority using the products from the 'Home Depot' retail in his own home. The shows went direct into syndication. 'Home Depot' found that cable had too little penetration in many areas, and public tv was "too limited a marketing window". (Shaw 1985.)

Advertiser-initiated, non-product related shows

As the examples will show, advertisers can initiate tv shows in many ways. The purpose is to secure the best possible

surroundings for the commercials. The shows are specifically bought or produced because the advertiser wants a specific editorial content as packaging around the commercials. Advertiser initiation of non-product related shows is another way to buy advertising time.

Companies like Procter & Gamble and ITT produce in the USA their own shows for their own advertising. This is profitable according to Kiefer (1985):
The average cost for a 2-hour tv movie, inclusive of promotion is $5 million. Two hours of prime time carries 14 minutes of advertising time worth $4.2 million and the budget is in the black with just one re-run. And in this way P&G has no problems with finding advertising space in the surroundings of family entertainment that they prefer. One example is 'Procter & Gamble presents: Great American Women', a series of network specials. (Kiefer 1985b).

Coca Cola produces a weekly one-hour programme 'Rockfile' for the European cable network 'Music Box' (Coca Cola... 1985) and has developed the 'Coca Cola Countdown' on the Canadian 'Much Music'. In return Coca Cola has got the opportunity to buy exclusive rights to soft drink advertising in weekends for three years. (Smith 1985).

Young & Rubicam <ad agency> produces a 'mini-feature', 'MTV Music Trivia Questions' sponsored by Dr. Pepper and shown on MTV. It is a two-minute segment running six nights a week. Viewers send in trivia questions. The viewer whose question is used gets a free pack of Dr. Pepper. (MTV Music ... 1985).

In the 1950s advertisers were heavily involved in television production in the USA. They played a major role in the creation and development of shows and had a strong say in the scheduling of shows. In the late fifties and the beginning of the sixties advertising agencies were forced out of the production business by the increasing production costs.
The pressure from the electronic dilemma of tv advertising and the upcome of cable networks have renewed the interest of advertising agencies for the tv production business.

"Slowly but surely, advertisers and agencies are getting back into the business of owning, developing, and scheduling TV shows." (Gelman 1985). Examples are Benton & Bowle's establishment of its own tv production company 'Telecom Entertainment' and Foote, Cone & Belding's tv production company FCB/Telecom. Also production companies integrate with the advertising business. One example is the Hollywood production company 'Lorimar' which has bought two advertising agencies which they are now merging (Kenyon and Eckardt, and Bozell & Jacobs). (Gelman 1985).

"Advertisers have long been interested in regaining control over the programs with which their commercials are associated. - Cable, with its many channels has a huge appetite for new programming." (Senior vice President, Jack McQueen, FCB).
"The emergence of new television delivery systems such as cable provide advertisers with the opportunity they have been waiting for since the heady days of yesterday. - If any medium provide advertisers with the opportunity to recreate the situation, they enjoyed during the early days, it is cable." (Gelman 1985).
FCB/Telecom has "been at the vanguard of developing, producing, and packaging advertiser-sponsored cable shows which marry clients' marketing objectives to cable networks needs." (Reitman 1985).
Jack McQueen (see above): "It's enormously gratifying for a guy who has seen the evolution from the early days of radio, to the full sponsorship of tv, through the period in the sixties and seventies when the advertisers had no clout in programming, to now reach a period when we cannot only provide bulk advertising through scatter on broadcast, cable and syndication, but actually create programming environments that heighten our clients messages." (Reitman 1985).
"With the help of their advertising agencies... more and more marketers are creating their own programming for cable networks. The attractions include the potential to offset broadcast viewership erosion, control over the show's content, possible syndication benefits, and marketing spinoffs. - Many see client-generated programming as the answer to both cable's programming needs and advertisers' desire for a more creative option than the traditional scatter buy on cable." (Guarascio and Siegel 1984).

Advertisers influence programming in at least one way more in the USA. They buy syndicated shows and sell them for off-network programming, normally on some kind of bartering terms which means that the broadcaster gets the show and a fraction of the advertising time free. The agency disposes over the remaining advertising time for its clients. According to Gay (1985), US-advertising agencies bought for $500 million tv programming in 1984.

Programmes and channels for advertising and selling only

In the USA a number of cable networks and local cable programmers have advertising - and in some cases selling - as the only programme content.

'Home Shopping Network' is a "Seven year old, 24-hour a day, live, discount shopping-at-home T.V. service that is 100% cable oriented. Home Shopping Network has processed more than 6,000,000 orders since 1982. Home Shopping Network is a proven winner that rolls out nationally July 1... " (Advertisement for HSN).
"HSN buys manufactures, overruns, close-outs, surplus goods from catalog companies, discontinued models and styles and then resell them to cable viewers at discount prices" (Home Shopping Network... 1985).

'The Book Channel' is a one-hour cable programme in magazine format featuring author interviews and selling books via a toll free number. (Informercials... 1985).

'First Look' is a half-hour "informercial programme" delivered to local cable channels "wanting to expand their own production and looking for alternative programming". The 'show' consists of 7-8, 2 to 4 minute long informercials focusing on an advertiser's product with the purpose of "providing a national forum to educate the consumer". (Informercials... 1985).

'Franchise Showcase' is one of several programmes which buy time on 'Satellite Program Network' and resell the programming time to advertisers. In most programmes toll free numbers are available for viewers to call in with enquiries or orders. (Informercials... 1985).

"A popular cooking show 'Microwaves are for cooking' incorporates its advertisers' products into cooking lessons and also sells its own products such as a microwave cookbook via an 800 number <toll free>." (SPN Programmes... 1985).

In Europe (UK) a new cable network channel is planned called 'Spectrum' which is said to be "A family interest programme channel showing sponsored film and videos". (A guide to... 1985). 'Local Vision' and 'Diverse Cable' are two local cable services also to be tested in the UK. They will

carry "listings for local advertisers, home shopping ads, and classified advertisements". (Ogilvy & Mather 1985b).

Channels like 'Music Television Channel' (MTV) in the USA and 'Music Box' in Europe do not define themselves as channels delivering advertising only, but it is not totally unfair to do so, since the main element - the music videos - are produced as advertising or promotional material for records and artists.

'Sponsoring'

Most of the activities described above would be called 'sponsoring' by the majority of media and advertising analysts. This is why the term 'sponsoring' has not been used here. It is too ambiguous because it covers too many ways of advertiser-involvement with programming. Sponsoring can mean anything from paying for credits at the end of the show to the advertiser having produced the show.

The electronic dilemma of tv advertising encourages experiments with integrative measures (sponsoring). Other incentives are the enormous need for programmes in the many new channels made possible by the new information technology. Cable operators are grateful for any supplement to their programming.

Sponsoring in the sense of advertiser payed programmes or a contribution to programming expenses exists in Europe, in Austria, Belgium, France, Hungary, Ireland, Italy, Portugal, and the United Kingdom (UK has a number of restrictions), (EGTA 1984).
Most of the developments described above are yet to be seen in Europe. But the same conditions as in the USA exist or are developing: rising production costs, a lack of programmes for the new tv capacity, and the electronic dilemma of tv advertising. The private broadcasters in Europe - especially the cable networks - therefore want and push for a general acceptance of all forms of sponsoring (Billen 1985, Kiefer

1985) - and the Commission of the EEC supports this move (EEC 1984). The Cable Authority in the UK published in October 1985 a draft code setting up guidelines for the sponsorship of tv programmes on cable channels. In principle sponsors in addition to on-air promotion and programme identification may also be involved in the programme-making itself provided this is made clear to the viewer. (Ogilvy & Mather, 1985).

"For sponsorship, the first step will be to get a pan-European agreement on sponsorship...". --- David Harrison of Thorn EMI <British media giant> "We all want a reasonable amount of freedom and we are all agreed that sponsorship is going to be an important source of revenue." --- "Music Box <run by Thorn EMI and MTV> is looking towards sponsorship as a substantial money-spinner. Generally Harrison <see above> says they are trying to make sponsorship 'as much a generic part of cable as the commercial break is on ITV <British commercial channel> . --- Richard Hawkes, McCann Erickson, London: "If sponsors are to make a major contribution to the finances of programming they will ultimately want control over its contents." (Billen 1985).

Others

Advertisers have always tried to get their products into the movies. The development of pay tv has promoted this measure and so has the electronic dilemma of tv advertising in general. During the last years placement of products in movies has been systematized, special agencies have developed, and more and more money is involved.

"The scramble for stardom <for brands> is fueled by rising media costs in advertising, a new afterlife for movies on pay tv and video casettes and - perhaps most of all - by convincing evidence that movie placements can work." Well known examples are Reese's Pieces in 'E.T.'; Mumford High School T-shirt in Beverly Hills Cops; and Pepsi Cola in 'Flash Dance'. (Spillman 1985).

It is well known that most American tv shows are structured according to the needs of the advertisers (cf. e.g., Giersing 1982). Kaplan 1985 <Ted Bates Advertising, New York> suggests that this is developed further, so that "networks

and advertisers work together to ensure that the commercials are positioned in a manner to achieve the maximum communication possibility". Kaplan mentions that more should be done to develop 'action sequences' (like in the American serial "Hill Street Blues') before the opening credits and commercials.

THE INFORMATIVE APPROACH

The traditional and the integrative approaches try to counteract the electronic dilemma of tv advertising by increasing the intrusiveness of advertising, to make it more or less impossible to avoid advertising.
The all-advertising channels normally try to hide under the cover of programming. This, however, is not true for all of them and some may belong to the informative approach.
The informative answer to the electronic dilemma of advertising tries to build up electronic advertising that is so attractive that the consumers voluntarily expose themselves to it.

Informercial channels

In the USA 'Cableshop' has been test marketed for two and a half years. The experiment was run by the advertising agency J. Walter Thompson. Cableshop offered viewers 24 hours of commercials, produced by 17 national advertisers and several local retailers. Cableshop was formated as a consumer video magazine. Informercials - lasting five to six minutes - ran on three channels with a fourth channel providing scheduling information. The concept was 'information presented in an enjoyable format'. In some cable systems specific informercials could be ordered by phoning a code provided in the monthly programme guide.

The selective ordering of informercials was not a success. Consumers did not find the commercials attractive enough

to ask for them. It is claimed and to a certain degree also substantiated (Bunstead 1985, Cableshop readies... 1984, Yuseph and Hallberg 1983, J. Walter Thompson 1983, Cunningham 1983) that the four-channel system without ordering facility was a success. From an advertiser point of view a sufficient number of cable subscribers were watching the channels and sufficient effects were obtained as to attitudes, brand awareness, and intention to buy.

The Cableshop was so successful that its owners decided to go national by satellite, condensing the four channels to one and grouping the informercials by subject area. The reason for this was that in many cable nets there are an abundance of channels, whereas on satellites transponders are still relatively expensive to rent. Cableshop never got launched on satellite for financial reasons, i.e., the channel could not attract enough national advertisers.

In the Cableshop experiment consumers did not want actively to search for electronic information about goods by ordering this information. It is difficult to say exactly what kind of behaviour led to the relatively high viewing numbers. Probably there was a lot of browsing around between channels and some curiosity too. Another explanation is that "The experiment shows only one thing: the Americans are willing to watch whatsoever on television" (Franklin Carlile, Ogilvy & Mather, New York, interview, 1983).

'Videoline' is a WHSmith Cable project to be launched in cable nets in the UK (and later on in the rest of Europe).

From the booklet introducing Videoline (October 1985):
"WHSmith present Videoline. Quite simply it's a new technology that will let subscribers to cable television call up programmes on any subject from car maintainance to the latest music videos. - For the first time you'll be able to switch on the television and ask it to show you what you want to watch. Videoline offers a whole new range of new services and a mass of useful information. - It will transform television into a video encyclopaedia. - At the same time creating a new and effective advertising medium that is unique to cable television.

- The basis of Videoline will be a continually updated bank of programmes, provided by anyone with a message to get across. - As a subscriber to Videoline you receive a directory giving titles and descriptions of programmes. Each programme has a three figure code. - To choose a programme, dial the telephone number of the Videoline computer. Wait for a high-pitched tone and dial the number of your programme. Within seconds a message will come up on your T.V. telling you what time and channel to watch. Your programme will be screened as soon as there is space available on one of the two Videoline channels. - In the future, when cable television has become properly interactive, you'll be able to key in your programme requests directly through the cable network. -- There will be two kinds of programmes on Videoline: Company sponsored videos or films. Long commercials known as informercials."

Viewdata

Viewdata is a medium where the information provided in principle gets in touch with the user only if he or she takes the initiative. Viewdata, therefore, is a perfect medium for the informative answer to the electronic dilemma of tv advertising. However, viewdata has nowhere been able to penetrate the consumer market, and it remains to be seen whether advertisers in this medium can create advertisements which will attract consumers. In the experiments with viewdata in the USA, the UK, and e.g. Denmark, information providers have not limited themselves to letting the user have the initiative, but have developed different forms of intrusive advertising, including spots, sponsoring, and integrative measures. (Sepstrup and Olander 1986, Giersing and Sepstrup 1984).

Teletext

Also teletext is a medium where the information provider in principle can get in touch with the user only if the user actively looks up the information. Teletext carries commercials in one country only, which has a high penetration of teletext, i.e., the United Kingdom. In the UK on the ITV's 'Oracle' system, advertisers have until now not tried to develop commercials which attract viewers by their information content only, or at least they do not rely on this only. When an advertiser buys pages on Oracle, he also buys 'strap lines' on editorial pages with high traffic. The 'strap lines' refer the viewer to the advertiser's

pages. Also sponsoring is used on the Oracle system, e.g., the 'Recipe of the month', and intrusive measures have been developed, like mixing advertising pages with information consisting of several pages, e.g., in programme schedules.

PART FOUR: CONSEQUENCES AND POLICY MEASURES

Part Four has been written from a European Perspective. However, the analysis of cultural consequences and consumer implications is also relevant for American users of television.

Part Four assumes that the electronic dilemma of traditional advertising is a fact, i.e., that advertisers experience (or will experience) growing difficulties in obtaining the advertising exposure they consider necessary. And that these difficulties, all other things being equal, will develop further in the near future.

Part Four also takes for granted that advertisers will try to counteract the electronic dilemma of tv advertising by the measures described in Part Three.

Last but not least it is accepted that the reality is so complicated and partly contradictory that the difficulties are accompanied by new positive possibilities for tv advertising because of a new situation characterized by, e.g., large channel capacity, internationalization, a surplus of advertising time, and a lack of programmes.

In other words, advertisers are eyeing better possibilities than ever before because of the development in information technology and are expecting new difficulties due to other aspects of the same technology.

As a response to this advertisers

1) will act more aggresively
2) will act more cunningly. Instead of intrusive measures they will employ a ruse and they will try to conquer parts of the cultural product that television is.
3) accept that some segments of consumers are defending themselves so effectively that 1) and 2) do not work. These consumers often belong to high income groups. Advertisers will therefore consider building up new, non-intrusive, non-cunning alternatives.

The left part of Figure 2 summarizes the contents of Part One, Two, and Three. The left part of Figure 2 can be used as a means to identify managerial consequences for advertisers, advertising agencies, and broadcasters - and to develop appropriate strategies and measures according to the objectives of these organizations. However, this is not the purpose here.

The purpose of part Four is to identify cultural consequences and consumer implications and to discuss measures to counteract consequences which are not wanted from a cultural or a consumer point of view. The cultural aspects and the consumer aspects are analysed together. Due to the role of advertising they are closely integrated in the mass media field. Also television is a typical non-durable mass (cultural) product. Television viewing can be percieved as an aspect of consumer behaviour and television advertising is a source of consumer information.
One more reason for treating cultural and consumer issues together in this paper is that the same variables influence the same persons in the same situation, but with relevance for different roles carried out by that person.

CULTURAL CONSEQUENCES AND CONSUMER IMPLICATIONS

The right part of Figure 2 is an attempt to identify some cultural consequences and consumer implications from the situation developing in and around the television medium in Europe. It is an attempt only because it is very difficult to be sure that the consequences listed are exhaustive, and it is doubtful whether they are detailed enough. The labelling of some consequences caused by different elements is the same, but there are probably more nuances behind the identical labelling than caught in the following analysis and description of the cultural consequences and consumer implications.

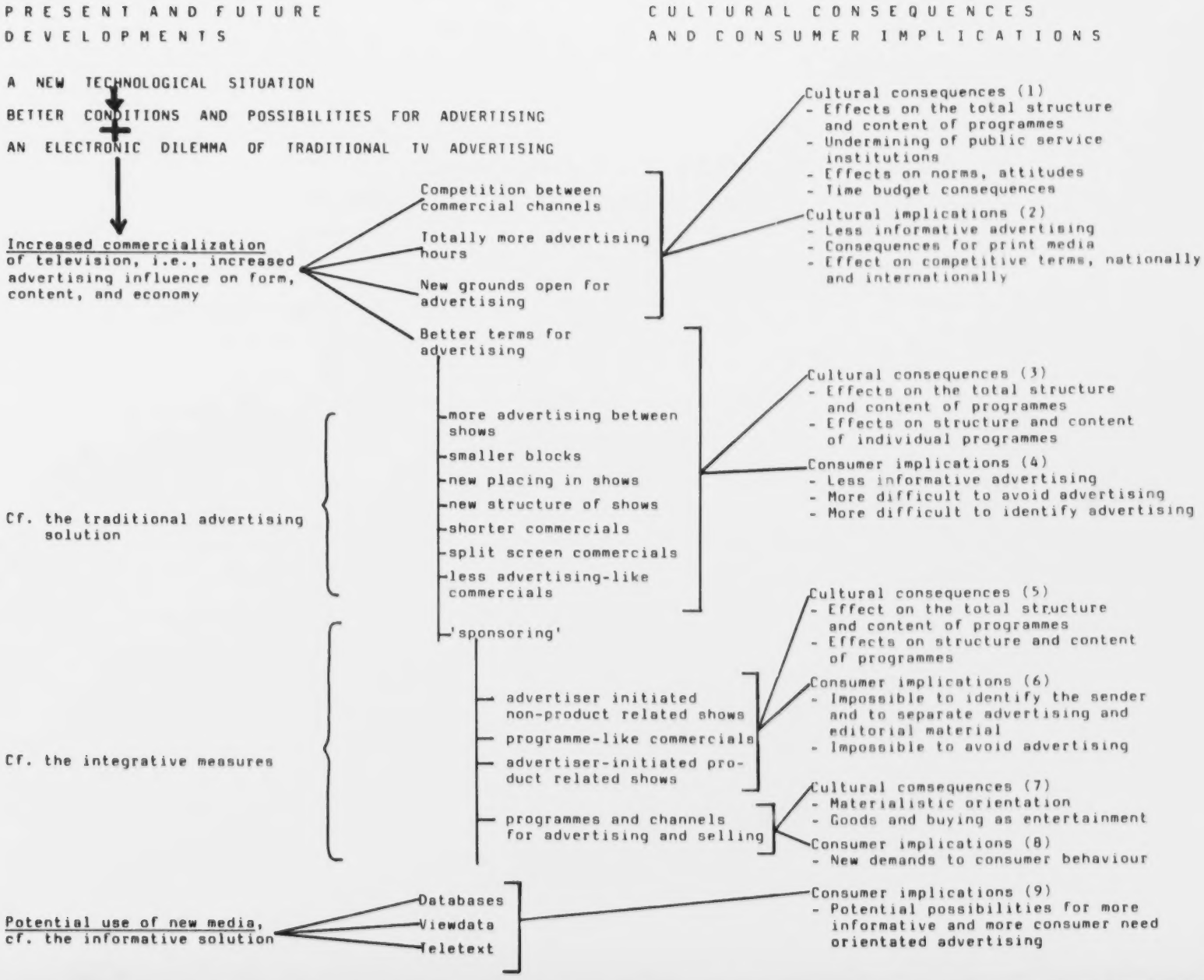

PRESENT AND FUTURE DEVELOPMENTS
CULTURAL CONSEQUENCES AND CONSUMER IMPLICATIONS
A NEW TECHNOLOGICAL SITUATION
BETTER CONDITIONS AND POSSIBILITIES FOR ADVERTISING
AN ELECTRONIC DILEMMA OF TRADITIONAL TV ADVERTISING
Increased commercialization of television, i.e., increased advertising influence on form, content, and economy
Competition between commercial channels
Totally more advertising hours
New grounds open for advertising
Better terms for advertising
Cf. the traditional advertising solution
more advertising between shows
smaller blocks
new placing in shows
new structure of shows
shorter commercials
split screen commercials
less advertising-like commercials
Cf. the integrative measures
'sponsoring'
advertiser initiated non-product related shows
programme-like commercials
advertiser-initiated product related shows
programmes and channels for advertising and selling
Potential use of new media, cf. the informative solution
Databases
Viewdata
Teletext
Cultural consequences (1)
- Effects on the total structure and content of programmes
- Undermining of public service institutions
- Effects on norms, attitudes
- Time budget consequences
Cultural implications (2)
- Less informative advertising
- Consequences for print media
- Effect on competitive terms, nationally and internationally
Cultural consequences (3)
- Effects on the total structure and content of programmes
- Effects on structure and content of individual programmes
Consumer implications (4)
- Less informative advertising
- More difficult to avoid advertising
- More difficult to identify advertising
Cultural consequences (5)
- Effect on the total structure and content of programmes
- Effects on structure and content of programmes
Consumer implications (6)
- Impossible to identify the sender and to separate advertising and editorial material
- Impossible to avoid advertising
Cultural comsequences (7)
- Materialistic orientation
- Goods and buying as entertainment
Consumer implications (8)
- New demands to consumer behaviour
Consumer implications (9)
- Potential possibilities for more informative and more consumer need orientated advertising

FIGURE 2

Cultural consequences (1)

Commercial television can be both versatile and of a high quality if it is not competing with other commercial channels. However, when competition for the same income starts, there is no room for low ratings. This means that the needs of small groups and minority interests must be neglected. The mechanism of what has been called the lowest common denominator starts: it is necessary all the time to have as large an audience as possible; this implies that the programmes must be acceptable or tolerable for the largest possible number of viewers; this implication limits the versatility of the channel, it limits critical points of view, and it prevents difficult topics from being treated. The common denominator effect means that no person gets what he or she likes the most since this is very often far from what everybody can accept. Competing, commercial television offers a limited satisfaction of needs for information, entertainment, and other cultural experiences. This mechanism is well known from the USA. It has also been illustrated empirically in Europe that the new commercial transnational channels are less versatile than the public service broadcasters (Krüger 1985).

The total amount of money available for tv advertising is limited and the number of commercial hours is expanding. In the future advertisers will not have to wait in a line for an opportunity to expose viewers to national advertising on the public service channels. They will have several alternatives and/or the public broadcasters will be forced to open up for more - and less restricted advertising. This situation can easily undermine the economy of totally or partly advertising financed public broadcasters. The fragmentation of viewers also has a negative economic effect for the public broadcasters and weakens the legitimation of the public broadcasters.

"In those countries where public funds are used to finance these public

services, and where the justification for substantial capital and revenue expenditure has been the substantial proportion of the population whom they serve, this reduction could well cause political problems. Governments and electors may well feel that expenditure on the current scale cannot be justified. The competitiveness of the present services may well suffer". (Wedell 1985). (See also the example from Italy, p 9), and cf. Kiefer (1985a) and Sepstrup (1985b))

The programme content associated with commercial tv and tv advertising itself conveys a certain ideology and a limited number of specific norms and attitudes which are not to be detailed here. The higher the degree of commercialization of television, the more one-sided will the television output be.

There is a direct positive correlation between the supply of television and the consumption of television in the western countries (Sepstrup 1985d). Commercialization of television will expand the supply of tv hours and the commercial breaks increase the time it takes to watch a show.

Consumer implications (2)

From a consumer point of view tv advertising is less informative than print advertising (Sepstrup 1985c). The information content of advertising as such therefore decreases if the relative share of tv advertising increases compared to other advertising vehicles.

If television attracts a higher share of total advertising expenditures the quality and the existence of some print media are in danger. That is not in the interest of consumers neither from a cultural nor from a consumer point of view.

The effects of transnational tv advertising on international and national competitive terms will not be developed in any detail here. Neither will the effects of an expansion

of national tv advertising on national competitive terms. However, there are such effects. Generally, the dominant effect is promotion of concentration processes on all levels, moving power and influence from retailers to producers, from local producers to national producers, and from national producers to international producers (see Sepstrup 1985a). This process influences, e.g., prices and the number of small retail outlets.

Cultural consequences (3)

'Better terms for advertising' provokes the same consequences on the structure and content of the total amount of programmes as mentioned above (Cultural concequences 1). Besides, the 'better terms' mentioned in Figure 2 promote a more fragmented and scattered editorial part of commercial television. And they imply that the editorial part must be less pregnant and significant, less attractive, less demanding, and more advertising-like. These effects do not only concern the structure and content of the total amount of programming, but also the individual programmes.

Consumer implications (4)

As mentioned above (Consumer implications (2)), traditional tv advertising is less informative than print advertising. It is obvious that shorter commercials, split screen commercials, and 'mini-movie' commercials lead to even less information in the commercials which are relevant to buying decisions.

The traditional advertising measures also increase the intrusiveness of advertising and contribute to a less identifiable advertising.

Cultural consequences (5)

It goes without saying that 'sponsoring' in general has an effect on the content of both the totality of programmes and on the individual programmes. The general effects of competing, commercial television on programme structure and content (Cultural consequences (1)) are directly sought for

and promoted when advertisers are involved in programme production. The main purpose of sponsoring is to promote non-controversial, non-distracting, non-significant, non-artistic, and consumption and materialistic oriented packaging around the commercials.

Consumer implications (6)

It is a basic consumer right that communicators clearly separate editorial material and advertising. This right is violated by the integrative measures. The commercial intention of the communicator is hidden, and the probability of unintended advertising exposure is maximized.

Cultural consequences (7)

The cultural consequences of exposure to the advertising-only channels depend on the motives behind the viewing and the actual viewing behaviour. If such channels are watched for entertainment and/or substitute 'normal' tv consumption, the effect is a cultural impoverishment and an increased materialistic orientation.

Consumer implications (8 - 9)

'Response television', long form commercials, and other new developments seen on channels and in programmes devoted to advertising and selling put the consumer in a new situation and demand a rethinking of the traditional consumer demands to information and sales terms. This is also true for the use of the new data media for selling and advertising. The consumer implications of these developments are not to be treated here. They are analysed in detail by Sepstrup and Olander (1986).

DISCUSSION OF CULTURAL AND CONSUMER POLICY MEASURES

The cultural consequences of the development described in Part Two and Three can be digested to an effect on the structure and content of the totality of programmes, an

effect on the structure and content of individual programmes, and an effect on public service broadcasting, all pointing towards less diversity and cultural impoverishment of television.
The consumer implications can be summarized as less informative advertising, more intrusive advertising, and a growing integration of commercials and programmes.

If one finds these trends positive, the policy to be taken is obvious: deregulation, liberalization, laissez faire. In my opinion the consequences are unacceptable. I will therefore in this section discuss national and international policy measures which can prevent the media situation in Europe from developing as described in Part Three. This does not implicate detailed concrete proposals or standpoints. Only three concrete proposals are given. Besides that only the issues to be decided on are listed.

Whether the issue under consideration is cultural policy or consumer policy there are five principal categories of measures which can be taken against unwanted consequences of commercialization:

Laissez faire	Information	Construction of alternatives	Minimum standards	Prohibitions

degree of interference →

Laissez faire policy leaves the mass media with all their cultural importance to the market and will normally lead to further polarization of the population according to their consumption of culture and information.

Information on the consequences of the market mechanisms and, e.g., the content of the tv channels available is normally too weak a measure to have an effect if combined with laissez faire policy.

Prohibitions are for ideological and political reasons precarious in most situations and often strenuous, difficult, and costly to keep up.
In the long run very few problems can be solved by prohibitions. The alternative is to set up measures which can compete with the commercial initiatives. It is very often helpful and widely accepted to combine this with minimum demands to the commercial exploitation of the media.

The alternative to commercialization: Public service broadcasting

The alternative to the commercialization of television is preservation and protection of the national public service broadcasting systems. The minimum activity should be to ensure the survival of the existing public service broadcasters.
In the UK this means keeping the BBC financed by license fees only, and upholding the IBA-rules on advertising on ITV; in West Germany it means keeping the third channel free of commercials and maintaining the present advertising system; in Scandinavia it means to maintain the 100% license fee financing of all tv channels.

Preservation of the existing public service institutions is neither a progressive nor an ambitious goal. The ultimate ideal is to exclude advertising from the television medium. A more realistic goal might be in all countries to have at least two advertising-free national channels. If viewers then watch the commercial channels (national or international) it will be out of inclination and pleasure, and not from 'necessity'.
The result of the viewers' choice between two quality (in a broad sense of the term) public service channels and the commercial channels is outside the range of media policy and depends on the general educational, cultural, and social policy in a country.

In the autumn of 1985 the Spanish government was drafting legislation to end the public service monopoly of two national and six regional channels (carrying advertising) by introducing private tv, cable tv, pan European satellite tv and direct broadcast tv, including three advertising supported, national channels. Three foreign, private tv stations are interested if the government modifies its ban on foreign ownership of print and electronic media: American 'CBS', Brazil's 'TV Globo', and Silvio Berlusconi's Italian media empire. A representative for one of Spain's leading media groups, said: "We expect all three private TV stations to sell a total of $310 million worth of advertising by 1992. --- This will partly be at the expense of the state-owned networks which may have lost a 50% share of the TV advertising market by then". (Specht 1985).

The main problem in the future will be to maintain the alternative public service broadcasting if the satellite networks or other commercial channels succeed in attracting a large share of viewers (cf. Wedell (1985), p 53). Since state ownership or financing (taxes) are unacceptable to an independent public service system, the alternative strategy depends on the willingness of the viewers to pay a license fee.

An alternative European satellite policy

It is a national struggle to maintain a public service system in competition with transnational (or national) commercial competitors.

The main determinant of the new European situation with competing commercial television channels is the satellite networks, which also directly compete with the national public service broadcasters. It is therefore necessary to take a closer look at the European satellite policy, its consequences and possible alternatives to the present situation.

June 1982 is a key date for understanding the European media situation. In June 1982 the European partners in 'Eutelsat' (an organization of the European P&Ts) decided to rent transponders for distribution of tv cable nets in Western Europe on the ECS satellite system to anybody

willing to pay.
The distribution of DBS-frequences was the result of detailed discussions among the Eutelsat partners. And so was earlier distributions of frequences for landbased, national tv channels. The basic viewpoint in those decisions on distribution of limited communication capacity has always been a public service viewpoint and not a commercial viewpoint. Besides the interests of the small countries have been protected.
The June 1982 decision is therefore rather amazing - and perhaps the most important decision in European communication policy since the introduction of television. The decision was made without public discussion and the European parliaments were not asked.

As an alternative to the commercial use, the European communication satellites (owned by the public P&T's) could be used for distribution of, e.g., special interest programmes gathering groups from different countries with common interests. This would be a real alternative to existing television.
The European governments could change the June 1982 decision in Eutelsat to prevent the present one-sided use of European satellite technology. The parliaments of Europe could decide that all satellite distributed television should be financed by license fees or subscriptions.
And they could decide to rent the transponders (maybe for a subsidized low fee) in such a way as to obtain a lingual, cultural, and topical versatility in the total supply of satellite television.

A European communication satellite policy as the one outlined here could save the European advertisers for much of the electronic dilemma of tv advertising, and European viewers for much of the 'traditional advertising solution' and the 'integrative measures'.

Minimum demands

Even if a European satellite policy like the one outlined

above is carried out, and even if the public broadcasting systems are maintained at their present financial strength, it is necessary to supplement with minimum demands to the continued commercial exploitation of television.
It is an established fact that minimum demands to the commercial exploitation of transnational television must be established on a European level, preferably within the Council of Europe.
The rationale behind setting up minimum demands is that television is a money making activity, the satisfaction of cultural needs is a means to a goal (whereas this satisfaction is the goal for public service television). This creates problems for the consumers of television. In most countries it is then accepted that the weak part can be assisted with legislative measures.

Programmes and channels for advertising only

Programmes consisting of advertising only should not be allowed on channels with a diversified content.
Channels devoted to advertising only should not be restricted if they are identified as such, if the advertisers are clearly identified as such, and if a set of minimum demands to advertising are fulfilled. (It is outside the scope of this paper to deal with the terms of transactions and information about those terms even though these of course are important issues from a consumer point of view, cf. p 55).

Minimum demands to the relation between traditional advertising and programming

Minimum demands to the relation between advertising and programming should at the least encompass the placement of the commercials (split screen, in programmes, between programmes, a small number of larger blocks), the length of commercials, the maximum commercial time, and the identification of commercials.
It is a political issue exactly what minimum demands to agree on in Europe as a condition for transmission in European cable nets or direct to home receivers. High demands

compared with the general standard today will limit the number of transnational television channels - and counteract the 'traditional advertising measures' taken by advertisers towards the electronic dilemma of tv advertising.

Minimum demands to traditional advertising as such

This issue encompasses the long list of issues treated in the international advertising codex, national codexes, and national legislation. It is a political issue to decide on those issues. High minimum demands will limit the 'traditional advertising measures' the most.

Minimum demands to 'integrative measures'

The many new commercial channels are not able to attract the viewers' money directly. They also have difficulties in supplying programmes and in attracting advertisers. In their search for profit they are willing to accept the offers from advertisers about different sponsoring activities.

Most likely a number of cable networks cannot exist in the long run without sponsoring. However, even without such channels there will still be a considerable number of channels available to most European viewers, and generally there will be no cultural loss from the absence of many of the existing or planned cable networks.

It is very difficult to regulate sponsoring (understood as the four categories of activities described in Part Three) and to formulate minimum demands that can make sponsoring acceptable from a cultural and a consumer point of view. It is therefore my opinion that the minimum demand as to the integrative measures must be no sponsoring in any form at all.

On sponsoring:
National Consumer Council (1985), UK:
"Sponsoring of programmes raises particular difficulties, and should be subject to the same controls that govern advertisements. Consumers and viewers must know who is funding a particular programme and

editorial control must remain with the broadcaster or television company - sponsorship must not influence editorial independence. Advertisements that are camouflaged as general interest or magazine programmes are unacceptable, and programmes that mix advertising and editorial contentshould be prohibited. Separation of advertising from programme content is imperative. The possibility of introducing a signal on the television screen to label advertisements should be investigated. We are not convinced that present arrangements to separate advertisements from programmes are adequate. Sponsorship of programmes must be subject to strict controls, prevetting and the other safeguards applied to advertisements, whether statutory or through self-regulation and must not be allowed to influence editorial independence.--- Getting the right controls on sponsored programmes is fundamental to maintaining effective advertising controls. If unacceptable advertising (e.g. for products with an advertising ban) can reappear in the guise of sponsored programmes, the aims of the advertising controls are likely to be undermined. The controls on sponsored programmes and other types of hybrid programmes(e.g. 'informercials') must be integrated into the rules of advertising control. As a first approximation these types of programme should be treated as advertising and, if necessary, special rules can then be applied to them."

BEUC <Association of EEC consumer councils> , (Europe-wide... 1984):

"Consumer organizations would prefer if one could do without sponsored programmes. If this practice should, however, spread, consumers should clearly know what programme is patronized by what special or other interests. Limits should however be introduced: the number of sponsored programmes should be limited. In order to encourage the 'cultural sponsorship' ('mécénat'), one should avoid close links between programmes and the commercial interests of the sponsor. Sponsored programmes should be subject to preventive controls in the same way as spot advertisements. ---

To summarize, BEUC called for a separate study on sponsorship, coordinated at Community level of pilot schemes in other fields, and a critical appraisal of the American experience. Recent trends to have increasing recourse to sponsorship (Canal Plus and FR3 in France, cable television in the United Kingdom, cable pilot schemes in West Germany,..) fully justify our demands."

Consumer's Consultative Comittee (1985), EEC:

"The CCC agrees that commercial companies should be able to provide sponsorship funds for programmes and activities which might otherwise not be viable. Consumers and viewers must know who is funding a particular programme and editorial control must remain with the broadcaster. The CCC considers it unacceptable that advertising agencies should produce 'general interest' and magazine programmes, and considers that separation of advertising from programme content is imperative. Sponsorship of events should be subject to codes of conduct governing content."

Council of Europe (1985):

"Advertisements, whatever their form, should always be clearly identifiable as such. --- Advertising should be clearly separated from programmes; neither advertisements nor the interest of advertisers should influence programme content in any way."

International Federation of Journalists (1985):

The IFJ shares the EC Commission's opinion that programmes sponsored

by commercial interests give rise to particular concern. Contrary to the EC Commission, the IFJ, however, holds the view that sponsored programmes undermine the responsibility proper to public broadcasting and which consists in broadcasting high-quality programmes."

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...	Indicates omission of a few words.
-	Indicates omission of one or a few sentences.
---	Indicates a new paragraph in the quotation.
<xxx>	Indicates information by the author.